

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:388
ANSWERED ON:15.12.2000
WORLD BANK LOAN
ASHOK KUMAR PATEL;RAMPAL SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the World Bank has prescribed several pre-conditions for sanctioning of loans for various developmental projects;
- (b) if so, the details thereof;
- (c) whether India has agreed to fulfil all these pre-conditions; and
- (d) if so, the details thereof?

Answer

Finance Minister (Shri Yashwant Sinha)

(a) to (d) : There are no prescribed preconditions for sanctioning development loans. However, the general loan conditions specify repayment period, rate of interest, commitment charges, front end fee, service charges, etc. In addition, specific loan agreements may include action plans to be implemented over the project period, and such variations on the general conditions as may also be mutually agreed.